

**MINUTES OF THE  
HEALTH AND HUMAN SERVICES INTERIM COMMITTEE**  
Wednesday, July 19, 2006 – 2:00 p.m. – Room W020 House Building

**Members Present:**

Rep. Bradley G. Last, House Chair  
Sen. Sheldon L. Killpack  
Sen. Peter C. Knudson  
Rep. D. Gregg Buxton  
Rep. David Litvack  
Rep. Steven R. Mascaró  
Rep. Ronda Rudd Menlove

Rep. Wayne A. Harper  
Rep. Patricia W. Jones  
Rep. Rebecca D. Lockhart  
Rep. Paul Ray

**Staff Present:**

Mr. Mark D. Andrews, Policy Analyst  
Ms. Catherine J. Dupont, Associate General Counsel  
Mr. Thomas R. Vaughn, Associate General Counsel  
Ms. Joy L. Miller, Legislative Secretary

**Members Absent:**

Sen. Allen M. Christensen, Senate Chair  
Sen. Scott D. McCoy

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Last called the meeting to order at 2:10 p.m. Sen. Christensen and Rep. Jones were excused from the meeting.

**MOTION:** Rep. Menlove moved to approve the minutes of the June 21, 2006 meeting. The motion passed unanimously.

**2. Consumer-directed Health Care Initiatives and Cost Containment**

Mr. Jeff Jensen, Deputy Director, PEHP (Public Employees Health program), distributed a copy of his presentation, "Report by PEHP on Health Savings Accounts/High Deductible Health Plans and Health Reimbursement Arrangements."

Mr. Craig Stone, Director, Utah Retirement System Defined Contribution Plans and Education & Marketing, gave a comparison of HSAs (Health Savings Accounts) and HRAs (Health Reimbursement Arrangements). He stated that an HSA is an individual tax-exempt account created to pay for eligible medical expenses of the individual and his or her spouse and dependents. An HRA is an employer funded account that reimburses the individual and his or her dependents for eligible medical expenses.

Mr. Jensen reviewed some of the considerations of HSAs and HDHPs (High Deductible Health Plans). He said these plans encourage consumerism, have lower premiums, and have little or no impact on the bulk of medical costs. He noted there may be increased financial burden on lower income, older, and chronically ill individuals. Information needed by the consumer may not be readily available.

Ms. Jennifer Cannaday, Regence Blue Cross/Blue Shield, referred the Committee to the summary of HSAs and account-based health plans contained in the study conducted by AHIP (America's Health Insurance Plans) which was mailed to the Committee. She stated the key to helping people feel comfortable with how HSAs work is related to education. She highlighted the large number of people purchasing HSAs who were previously uninsured.

Mr. Kelly Atkinson, Utah Health Insurance Association, reiterated that education is the challenge with these new programs. He pointed out that all but one of the association's member companies offer HDHPs and HSAs.

Mr. Lynden Kendrick, First Horizon Msaver, distributed a written copy of his comments. Although HSAs are growing rapidly, they are more popular in other states. Early adopters were individuals and small businesses. Larger businesses are either already offering or are preparing to offer HSAs.

Mr. Ken Kuhni, Utah Association of Health Underwriters, indicated that the health insurance industry has aggressively tried to educate consumers about the value of the HDHPs and HSAs.

Mr. Terry Talbot, Independent Insurance Agent, indicated that Utah HSA plans generally provide 80 percent/20 percent (insurer/insured) coverage after deductibles. According to the AHIP report, the average premiums for HSAs are 20–30 percent less than the average premiums for PPOs.

Ms. Tomi Ossana, HIPUtah, said that HIPUtah has introduced a HDHP with a \$5,000 deductible, effective July 1. Once members choose the \$5,000 deductible, they don't have the option to move down to a lower deductible. Approximately 10 percent of HIPUtah's 3,300 members have signed up for the HDHP.

### **3. Division of Services for People with Disabilities**

Mr. George Kelner, Director, DSPD (Division of Services for People With Disabilities), distributed a copy of DSPD's report and a pamphlet regarding the "Supported Employment Pilot Program." He outlined what DSPD has done since legislation passed that established the program. Mr. Kelner discussed two additional proposed pilot programs—Family Preservation and Co-op Drop-In Day Centers—to also help target some of the individuals on the current DSPD waiting list.

Ms. Lisa-Michele Church, Executive Director, Department of Human Services, asked that the Legislature give consideration to adopting the proposals.

Rep. Last turned the chair over to Sen. Knudson.

### **4. Other Business / Adjourn**

Sen. Knudson said that the annual "2005 Health Insurance Market Report" distributed at the beginning of the meeting was for information purposes.

**MOTION:** Rep. Buxton moved to adjourn. The motion passed unanimously.

Sen. Knudson adjourned the meeting at 4:00 p.m.